NOVA SCOTIA

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS: Treasury Board Office

Introduction

Treasury Board Office (TBO) has accepted all recommendations made by the Auditor General in his April 2009 to February 2013 Reports. To date, TBO has completed 76 % of the recommendations, and work is well underway to address the remaining 24 %. The Office would like to acknowledge the work of the Auditor General and his team.

Recommendations by Chapter:

Month & Year	Chapter	Chapter Title	Complete	Work In Progress	Action No Longer Required	Do Not Intend To Implement	Total Recommendations
Apr-09	Chapter 2	Government-wide: Audit Committees	9	-	-	1	10
May-11	Chapter 2	Follow-up of 2005, 2006, 2007 and 2008 Recommendations	3	-	-	-	3
May-11	Chapter 4	Colchester Regional Hospital Replacement	-	2	-		2
May-12	Chapter 2	Follow-up of 2005 to 2009 Performance Audit Recommendations	1	-	-	1	2
		Total	**13**	**2**	**-**	**2**	**17**
		Percentage	**76%**	**12%**		**12%**	**100%**

Brief Summary of Recommendations:

Month & Year	Chapter & (Rec. #)	Status	Brief Summary of Status
Apr-09	Chapter 2 (1)	Do not intend to implement	The Audit Committee discussed the possibility of adding one or more independent members. They discussed best practice and examined the composition of Audit Committees in other provinces and Territories. The Audit Committee decided not to have independent members. It was determined that the current composition of the Committee provided adequate independence.
Apr-09	Chapter 2 (2)	Complete	The Audit Committee Charter is reviewed and approved by the Audit committee on an annual basis as per the approved calendar for Audit Committee meetings.
Apr-09	Chapter 2 (3)	Complete	Compliance will be reviewed and confirmed on an annual basis as per the approved Calendar for Audit Committee meetings.
Apr-09	Chapter 2 (4)	Complete	The Calendar for the Audit Committee meetings includes an annual review to confirm the results of the Executive Director's performance appraisal. This is now a standing item on the Audit Committee's November meeting.

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Apr-09	Chapter 2 (5)	Complete	The Internal Audit Plan and Schedule are approved annually by the Audit Committee. The audit schedule is updated quarterly for Audit Committee approval. This process ensures the plans and activities are addressing the needs of the Centre's clients.
Apr-09	Chapter 2 (6)	Complete	The Annual Calendar for the Audit Committee includes a review of an online survey examining the Internal Audit Centre's performance.
Apr-09	Chapter 2 (7)	Complete	The Internal Audit Charter was reviewed and approved at the April 15, 2009 Audit Committee meeting. The scope was revised to state the following, "Where Departments have arms-length relationships with organizations that are funded exclusively or substantially by government; that being, Governmental Units and Government Business Enterprises as outlined in the Provincial Finance Act; Internal Audit may conduct engagements (e.g. operational and governance reviews as well as compliance auditing related to the contracts, agreements and other mechanisms that formalize the relationship between the Departments and the arms-length organizations)."
Apr-09	Chapter 2 (8)	Complete	The Internal Audit Centre completed a quality assessment, with independent validation from the Institute of Internal Auditors, in September 2009. This ensures the Internal Audit Centre remains complaint with the IIA standard.
Apr-09	Chapter 2 (9)	Complete	A self-evaluation will be a standing item on the Annual Calendar.
Apr-09	Chapter 2 (14)	Complete	Executive Council Office (ECO) has established an online collection of resources to provide guiedence to entities within the government reporting entity to follow best practices in respect to the establishment and operation of their audit committees. Those resources are available at http://novascotia.ca/exec_council/abc/resources-abcs.asp.
May-11	Chapter 2 (1)	Complete	The Deputy Minister Audit Committee will continue to monitor the status of Auditor General Recommendations that are outstanding (e.g Work in Progress and Planned), but will not revisit responses that are considered complete or will not be implemented. The results will not be reported in the House of Assembly. Instead the Premier's Update on AG Recommendations will be issued publically.
May-11	Chapter 2 (2)	Complete	The Audit Committee will continue to actively promote the timely implementation of the Auditor General recommendations when both the legislative authority exists and the value of implementing the recommendation exceeds the cost of doing so.
May-11	Chapter 2 (3)	Complete	The TAGR Steering Committee will continue to monitor the responses in TAGR and will work with the departments to ensure their status is consistent with what is reported to the Office of the Auditor General. It is the lead department's responsibility to ensure that TAGR accurately reflects the status and response to the recommendation.

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May-11	Chapter 4 (12)	Work in Progress	A TCA policy and procedure manual has been developed, which includes an expanded terms of reference for the TCA Steering Committee. It includes a greater focus on business case development by departments, a comprehensive process to evaluate and prioritize projects, a process to address in-year requests for changes in capital funding and greater oversight of ongoing projects. A Memorandum of Understanding (MOU) between the Department of Transportation and Infrastructure Renewal (TIR) and the Department of Health and Wellness has been signed. Similar MOUs between TIR, Department of Education and Nova Scotia Community College are also in the process of being finalized. Currently, under the Public Service Act (paragraph 73), TIR has overall responsibility. The MOUs provide additional clarity with respect to the roles and responsibilities relating to: 1. Establishment of clear objectives and expectations for Major Capital Projects. 2. A clear understanding, and agreement if necessary, by both Parties of specific, measurable results of the project, project budget, project schedule, quality, limitations and constraints on the project, public concerns and interests to be considered, and the means by which value and results will be measured. 3. A process for periodic monitoring of projects and adherence to the MOU, controls over projects and accountability for decisions and actions. This, in conjunction with the increased oversight of the TCA Committee, serves to address the issue set out by the Auditor General in this recommendation.
May-11	Chapter 4 (14)	Work in Progress	The TCA Steering Committee's role has been expanded to include ongoing monitoring and post-project assessment for significant projects. The signed MOU between the Department of Transportation and Infrastructure Renewal (TIR) and the Department of Health and Wellness states that all major projects will address Post-project effectiveness assessment plans. MOUs between TIR, the Department of Education and the Nova Scotia Community College are also being developed and will address post project assessments.
May-12	Chapter 2 (1)	Complete	We agree that TAGR should be accurate and complete and the TAGR Steering Committee will continue to work with departments and the Office of the Auditor General to help ensure responses to recommendations are tracked and reported appropriately.
May-12	Chapter 2 (2)	Do not intend to implement	We do not agree with this recommendation; we do not believe the benefits of an additional quality assurance/audit process outweigh the costs of doing so.